



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

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DA 22-1113
October 21, 2022

DOMESTIC SECTION 214 APPLICATIONS FILED FOR THE TRANSFER OF CONTROL OF ADVANCED NETWORK COMMUNICATIONS, L.L.C.

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket Nos. 22-14, 22-144, and 22-249

Comments Due: November 4, 2022

Reply Comment Due: November 14, 2022

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application filed pursuant to section 214 of the Communications Act of 1934, as amended (Act), and sections 63.03-04 of the Commission's rules, requesting approval for Long Lines, LLC (Long Lines), which currently owns 50% of Advanced Network Communications, L.L.C. (Advanced Network), to acquire the 50% ownership of Advanced Network currently held by Schaller Telephone Company (Schaller), which would result in Long Lines acquiring 100% direct control of Advanced Network.¹ In addition, the Bureau seeks comment on two additional section 214 applications seeking approval for prior unauthorized transactions involving Advanced Network and Long Lines.²

¹ See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Application of Schaller Telephone Company, Long Lines, LLC, and Advanced Network Communications, L.L.C. for Transfer of Control Pursuant Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 22-14 (filed Dec. 21, 2021) (2021 Application). On February 8, 2022 and February 11, 2022, counsel for these applicants filed supplements to the 2021 Application. Letter from John Pietila and K.C. Halm, Counsel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-14 (filed Feb. 8, 2022) (February 8, 2022 Supplement); Letter from John Pietila and K.C. Halm, Counsel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-14 (filed Feb. 11, 2022) (February 11, 2022 Supplement). These applicants also filed an application for the transfer of authorizations associated with international services. Any action on these domestic section 214 applications is without prejudice to Commission action on other related, pending applications. On August 2, 2022, Counsel filed a narrative and timeline explaining the history and legal relationships between the parties addressed in this Public Notice. Letter from K.C. Halm and John Pietila, Counsel, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 22-14, 22-144, and 22-249 (filed Aug. 2, 2022), and on August 9, 2022, Counsel filed a revision to the narrative. Letter from K.C. Halm and John Pietila, Counsel, to Marlene H. Dortch, Secretary, FCC, WC Docket Nos. 22-14, 22-144, and 22-249 (filed Aug. 9, 2022) (Background Supplement). On October 11, 2022, Counsel filed a supplemental letter in all three dockets. Letter from John Pietila and K.C. Halm, Counsel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-14 (filed Oct. 11, 2022) (October 11, 2022 Supplement).

² Application of Schaller Telephone Company, Long Lines, LLC, and Advanced Network Communications, L.L.C. for Transfer of Control Pursuant Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 22-144 (filed Mar. 25, 2022) (2005 Application); Application of Long Lines Communications, LLC, Long Lines, LLC, and Schurz Communications, Inc. for Transfer of Control Pursuant Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 22-249 (filed Jun. 30, 2022) (2015 Application). On April 7, 2022, these applicants filed a request for special temporary authority (STA) to allow Advanced Network to continue to provide service to customers while the 2005 Application is pending. See Letter from K.C. Halm and John Pietila, Counsel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-144 (filed

Current Proposed Transaction (WC Docket No. 22-14)

Advanced Network currently operates as a joint venture between Schaller and Long Lines, with each owning 50% of the issued and outstanding equity interests of Advanced Network. On December 21, 2021, Schaller and Long Lines filed a domestic section 214 application seeking approval for Long Lines to acquire the current 50% interest that Schaller holds in Advanced Network, so that, post-consummation, Advanced Network will be wholly-owned by Long Lines.

Advanced Network, an Iowa limited liability company, provides service as a competitive local exchange carrier (LEC) in the Correctionville, Ida Grove, Holstein, and Anthon exchanges in Ida and Woodbury Counties in rural northwest Iowa.³ Advanced Network originally began operations in 1997 as a wholly-owned subsidiary of Schaller, an Iowa corporation, that provides services as an incumbent LEC in the counties of Sac, Ida, Woodbury, Crawford, Buena Vista, and Cherokee in northwest Iowa.

Long Lines is a Delaware limited liability company and holding company that acquired its 50% ownership interest in Advanced Network in 2005 from Schaller.⁴ Long Lines is currently a wholly-owned subsidiary of IH Orbitel, Inc. (IH Orbitel), an Indiana corporation that is a wholly-owned subsidiary of Schurz Communications, Inc. (Schurz Communications). Schurz Communications is an Indiana corporation and holding company for incumbent LECs, competitive LECs, and cable providers. Schurz Communications' affiliates currently provide these services in Arizona, Indiana, Maryland, Minnesota, Ohio, Iowa, Nebraska, South Dakota, Wisconsin and Vermont.⁵ Applicants state that there is no competitive overlap between the service areas of

Apr. 7, 2022). On October 20, 2022, the Bureau granted the STA for the domestic authorization for a period of 180 days. On August 5, 2022, these applicants filed a STA to allow Long Lines to continue to provide service to customers while the 2015 Application is pending. See Letter from K.C. Halm and John Pietila, Counsel, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-249 (filed Aug. 5, 2022). On October 20, 2022, the Bureau granted the STA for the domestic authorization for a period of 180 days. A grant of the domestic section 214 applications in this Public Notice would be without prejudice to any enforcement action by the Commission for non-compliance with the Act of the Commission's rules.

³ Advanced Network is designated as an Eligible Telecommunications Carrier in Iowa and offers Lifeline services, but states that it currently has no Lifeline customers. February 8, 2022 Supplement at 2.

⁴ Long Lines currently wholly-owns the following incumbent LECs: Northwest Iowa Telephone, LLC (Northwest Iowa), serving Sergeant Bluff, Salix, and Sloan exchanges in Iowa; Jordan-Soldier Valley Telephone Company (Jordan-Soldier Valley), serving the Soldier and Moorhead exchanges in Indiana; and Jefferson Telephone Company, LLC (Jefferson Telephone), serving the Jefferson exchange in South Dakota. 2021 Application at n. 4, February 8, 2022 Supplement at 2, Attach. 1 (Organizational Chart of Schurz Communications, Inc. and its Operating Company Affiliates), and Attach. 2 (Schurz Communications, Inc. Operating Company Affiliates Service and Coverage Information) at 2. Long Lines also wholly-owns the following four competitive LECs: Long Lines Metro, LLC, serving South Dakota and Iowa; CommChoice of Iowa and Orange City Communications, LLC, both serving Iowa; and Long Lines Siouxland, serving Nebraska. February 8 Supplement at 1-2, Attach 1, and Attach. 2 at 2-3.

⁵ Schurz Communications currently directly wholly-owns the following providers of domestic telecommunications services: Champlain Broadband, LLC, a competitive LEC serving Chittenden County, Vermont; Hiawatha Broadband Communications, Inc., a competitive LEC serving Minnesota and Wisconsin; and the New Knoxville Telephone Company d/b/a NKTelco (New Knoxville), an incumbent LEC serving the New Knoxville, New Bremen, St. Mary's, and Wapakoneta exchanges in Ohio. Application at n. 4; February 8, 2022 Supplement at 2, Attach. 1 and Attach. 2 at 2. New Knoxville wholly-owns NK Telco, Inc., a cable operator, and Goldstar Communications, LLC, a competitive LEC, both serving Ohio. February 8, 2022 Supplement at 2, Attach. 1 and Attach. 2 at 1. IH Orbitel, Inc. directly wholly-owns Long Lines, LLC and the following cable operators: Antietam Broadband, organized as Antietam Cable Television, LLC, providing

Advanced Network and the incumbent or competitive LECs that are affiliated with Schurz Communications or Long Lines.⁶ The only 10% or greater interest holder in Schurz Communications is the Schurz Communications Voting Trust Agreement (the Schurz Trust), an Indiana Trust, which holds a 75.17% voting interest in Schurz.⁷

Pursuant to the terms of the proposed transaction, Schaller will assign its current 50% ownership interest in Advanced Network to Long Lines, resulting in Advanced Network becoming a direct, 100% subsidiary of Long Lines and an indirect subsidiary of Schurz Communications.

Applicants request streamlined treatment of the 2021 Application under the Commission's rules and assert that a grant of the application would serve the public interest, convenience, and necessity. Because the proposed transaction is more complex than those accepted for streamlined treatment, and in order to analyze whether the proposed transaction would serve the public interest, we accept the 2021 Application for non-streamlined processing.⁸

Prior Unauthorized Transactions

The parties in this Public Notice have filed two additional applications seeking approval for prior related transfers of control that occurred without Commission approval between 2005 and the present.

2005 Transaction (WC Docket No. 22-144): On March 25, 2022, Schaller and Long Lines filed a domestic section 214 application for Schaller to transfer 50% of its 100% equity interests in Advanced Network to Long Lines,⁹ which took place on September 1, 2005 without prior Commission approval. Through that transaction, Advanced Network became a joint venture between Schaller and Long Lines, each holding 50% of the interest.¹⁰

2015 Transaction (WC Docket No. 22-249): On June 30, 2022, Long Lines Communications, LLC (Long Lines Communications)¹¹ and Schurz Communications filed a domestic section 214

service in Maryland; Western Broadband LLC providing service in Arizona; and Orbitel Communications, LLC, also providing service in Arizona. *Id.*

⁶ February 8, 2022 Supplement at 3 and Attach. 3 (Map).

⁷ 2021 Application at 9. The following U.S. citizens are the beneficiaries of the Schurz Trust: Franklin D. Schurz, Jr. (28%); Kathryn F. Schurz (19%); Mary Ann Schurz (19%); and Laura E. Ray (15%). *Id.* at 10.

⁸ 47 CFR § 63.03(c)(1)(v).

⁹ In 2005, Calco, Inc., an Iowa corporation and holding company, wholly-owned by Charles A. Long, a U.S. citizen, owned Long Lines. 2005 Application at 3-4.

¹⁰ At that time, the remaining 50% of the equity interest in Advanced Network was split between Schaller, which held a 27.5% interest, and Comserv, Ltd. (Comserv), a wholly-owned subsidiary of Schaller, which held a 22.5% interest. Background Supplement at 3; 2005 Application at 3. On December 31, 2011, Schaller subsequently acquired, through a pro forma transaction, the 22.5% interest held by Comserv and therefore currently holds 50% interest in Advanced Network. *Id.* Since that time, Schaller and Long Lines each hold 50% of the interest in Advanced Network and continue to operate Advanced Network as a joint venture.

¹¹ Long Lines Communications is a holding company. October 11, 2022 Supplement at 1. Applicants state that "in 2006 Calco, Inc. the parent of Long Lines, LLC, sold a non-controlling interest of approximately 435 shares to two investment funds owned and controlled by Brown Brothers Harriman (BBH), the 1818 Mezzanine Fund II, L.P., and Sioux City, L.P. At the same time, in order to effectuate this transaction Long Lines, LLC created a new-wholly owned subsidiary, Long Lines Communications, LLC into the ownership chain. The BBH funds acquired their non-controlling minority ownership interests in Long Lines Communications, LLC. This transaction did not result in a change of control, in part because Calco, Inc.

application for Schurz Communications¹² to acquire Long Lines, which took place on March 9, 2015, without prior Commission approval.¹³

Applicants assert that a grant of the 2005 Application and the 2015 Application would serve the public interest, convenience, and necessity. Because the transactions are more complex than those accepted for streamlined treatment, and in order to analyze whether they would serve the public interest, we accept the 2005 Application and the 2015 Application for non-streamlined processing.¹⁴

Domestic Section 214 Application Filed for the Transfer of Control of
Advanced Network Communications, L.L.C., WC Docket No. 22-14 (filed Dec 21, 2021).

Domestic Section 214 Application Filed for the Transfer of Control of
Advanced Network Communications, L.L.C., WC Docket No. 22-144 (filed Mar. 25, 2022).

Domestic Section 214 Application Filed for the Transfer of Control of
Long Lines, LLC, WC Docket No. 22-249 (filed Jun. 30, 2022).

GENERAL INFORMATION

The applications identified herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments **on or before November 4, 2022**, and reply comments **on or before November 14, 2022**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

- **Electronic Filers:** Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
 - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.¹⁵ All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

retained a 50.1% voting interest in the entities that the BBH funds acquired their interests (Long Lines Communications, LLC). Therefore, the BBH funds did not acquire a controlling interest, and no change of control occurred." *Id.*

¹² The Schurz Trust owned 75.2% of the voting interest of Schurz Communications, Inc. as of 2015. 2021 Application at 9.

¹³ 2015 Application at 1; October 11, 2022 Supplement at 2. *Id.*

¹⁴ 47 CFR § 63.03(c)(1)(v).

¹⁵ Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. See *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (OS 2020).

- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov;
- 2) David Krech or Sumita Mukhoty, Telecommunications and Analysis Division, International Bureau, david.krech@fcc.gov; sumita.mukhoty@fcc.gov; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.¹⁶ A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Gregory Kwan at (202) 418-1191.

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¹⁶ See 47 CFR § 1.45(c).